

Activities of the Federal Funds Commission

September 2016-September 2017 (Four Meetings)

Chair: Rep. Justin Fawson

Vice Chair: Lincoln Fillmore

Total Members: 6 Legislators, 7 Non-Legislative Members

September 2016

Economic Risk Analysis

The Commission studied an economic risk analysis report which highlighted and delved into the primary risks to federal funding, which risks included:

- A financial crisis;
- A rapid reduction in spending; and
- A substantial increase in taxation.

Federal Funds Procedures Act

The Commission undertook significant steps to reviewing and going through the Federal Funds Procedures Act, including:

- The Commission studied and reviewed numerous provisions within the Federal Funds Procedures Act, which is found in the Budgeting Title, 63J, Chapter 5, Federal Funds Procedures Act.
- With the State Board of Education, the Commission reviewed the implementation of 2016 General Session H.B. 329 "Federal Funds Procedures Act Amendments," which provided that the State Board of Education is subject to certain review and approval requirements for receipt of federal funds.
- The Office of the Legislative Fiscal Analyst reported to the Commission on maintaining structural balance with federal funds, and included ways to:
 - Strengthen the Federal Funds Procedures Act;
 - Improve the general budgeting process for federal funds; and
 - Modify fiscal notes to better reflect the impact of federal funds.

November 2016

Extraction of Natural Resources on Federal Lands

The Office of the Legislative Fiscal Analyst reported on the extraction of natural resources from federal land in Utah. If all extraction and nonrecreational activity on what is currently classified as federal land in Utah were to cease, in 2020 Utah employment could decline by 93,000 jobs (-5%) relative to the 2020 baseline estimate.

Federal Funds Update

The Office of the Legislative Fiscal Analyst reported on maintaining structural balance with federal funds, and provided ways to:

- Strengthen the Federal Funds Procedures Act;
- Improve the general budgeting process for federal funds; and

- Modify legislation fiscal notes to better reflect the impact of federal funds.

Federal Grant Management

The Commission discussed draft legislation for the 2017 General Session, "Federal Grant Management Amendments," which modifies the Federal Funds Procedures Act by amending provisions relating to federal funds review and approval requirements. This bill passed and was enrolled as H.B. 194.

May 2017

Federal Grant Management System

The Commission reviewed the procurement of a Federal grant management system with the Division of Finance.

Overview of Commission

The Commission studied:

- The statutory provision related to the power and duties of the commission;
- The economic risk analysis procured by the commission;
- The Federal Funds Risk Model; and
- Commission related legislation from the 2017 General Session.

The Commission also reviewed and demonstrated the Federal Funds Risk Model with the Office of the Legislative Fiscal Analyst.

Selection of a Commission Chair

Voted and selected Rep. Justin Fawson as a new Commission chair.

August 2017

Administrative Burden of Federal Grants for Public Education

With the State Board of Education, the Commission discussed the level of administrative burden placed on school districts that receive federal funds and reviewed an audit that was performed by the Legislative Auditor General's Office on federal grants for public education.

Medicaid Waiver

The Commission received a report from the Department of Health about a Medicaid federal block grant program and a submission of a state waiver from Medicaid requirements, including information potential state savings.

Risk of Federal Government Shutdown

The Commission examined the talking points and presentations made at the recent National Conference of State Legislators Legislative Summit in Boston that pertained to the risk and impact of a federal government shutdown. The Commission requested legislative staff and the governor's office to provide the commission with the necessary tools to address the risk of

a government shutdown. I have a copy of that letter here today and it will be published by the Commission shortly. The letter summarizes the research collected on the risks of a federal shutdown. A federal government shutdown would impact Utah's dependency on federal grants for mandatory and discretionary programs and affect state personnel. The letter outlines available tools and resources to coping with a federal shutdown and provides historical perspective of past federal government shutdowns.